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State of Idaho

Legislative Services Office

Management Report

A communication to the Joint Finance-Appropriations Committee

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## **STATE BOARD OF ACCOUNTANCY**

**FY 2005, 2006 and 2007**

**Report IC42207**

**Date Issued: September 19, 2007**

*Serving Idaho's Citizen Legislature*

# FOREWORD

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## **PURPOSE OF REPORT**

We evaluated the internal controls over financial operations of the State Board of Accountancy as part of our effort to evaluate each State agency at least once every three years. This report summarizes the results of our evaluation.

## **SCOPE OF WORK**

The management of the Board is responsible for establishing and maintaining internal controls. We obtained an understanding of the relevant policies and procedures comprising the internal control system. We also determined whether the relevant policies and procedures had actually been placed into operation. Our intent was to indicate where internal controls could be improved in order to help ensure the Board's ability to record, process, summarize, and report financial data accurately.

## **AUDIT AUTHORIZATION**

Reported to the Joint Finance-Appropriations Committee as directed by the Legislative Council of the Idaho Legislature, authorized by Idaho Code, Section 67-429.

## **ASSIGNED STAFF**

Shannon Thomas, Staff Auditor

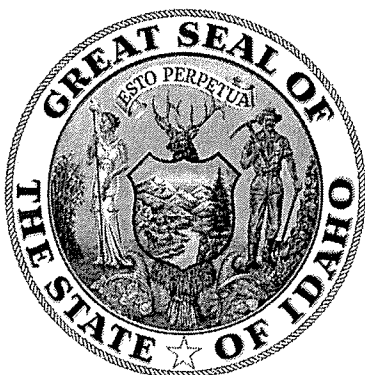
## **ADMINISTRATION AND TECHNICAL REVIEW**

Don H. Berg, CGFM, Manager, Legislative Audits Division  
Lori Hendon, CPA, Managing Auditor

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## EXECUTIVE SUMMARY LEGISLATIVE AUDITS

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### STATE BOARD OF ACCOUNTANCY

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**PURPOSE AND SCOPE.** We performed certain audit procedures to evaluate the effectiveness of the State Board of Accountancy's internal control design and operation. The limited scope of our procedures does not allow us to give an opinion on the Board's internal control system. Accordingly, we do not express an opinion or ensure that all instances of internal control weaknesses were disclosed. Our purpose was to indicate where internal controls could be strengthened to help ensure accurate financial statements and data. Any findings and recommendations are intended to improve the internal control system to prevent errors, omissions, misrepresentations, or fraud.

**CONCLUSION.** We noted no matters involving the internal control over the Board's financial reporting or its operation that we considered to be material weaknesses. However, our consideration of internal controls would not necessarily disclose all matters considered to be a material weakness.

**FINDINGS AND RECOMMENDATIONS.** There are no findings and recommendations in this report or in the prior report.

**AGENCY RESPONSE.** The Board has reviewed the report and is in general agreement with its contents.

**FINANCIAL SUMMARY.** The Board is funded by dedicated funds derived principally from licensing and examination fees. The following financial summary is presented for informational purposes only.

#### STATE BOARD OF ACCOUNTANCY – FINANCIAL SUMMARY

| <u>Fiscal Year 2007</u> | <u>Fund 0229</u>        |
|-------------------------|-------------------------|
| Beginning Cash Balance  | \$517,287               |
| Licenses and Exam Fees  | 373,140                 |
| Fines                   | 18,350                  |
| Other Receipts          | <u>1,847</u>            |
| Total Cash Available    | \$910,624               |
| <br>                    |                         |
| Personnel Costs         | 225,608                 |
| Operating Expenditures  | 189,532                 |
| Capital Outlay          | <u>9,076</u>            |
| Total Disbursements     | <u>\$424,216</u>        |
| <br>                    |                         |
| Ending Cash Balance     | <u><u>\$486,408</u></u> |

This report is intended solely for the information and use of the State Board of Accountancy and the Idaho Legislature and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance provided to us by the executive director, Barbara Porter, and her staff.

QUESTIONS CONCERNING THIS DOCUMENT SHOULD BE DIRECTED TO:

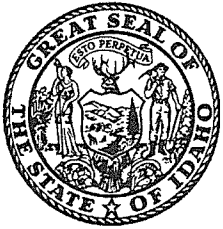
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# AGENCY RESPONSE

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BARBARA R. PORTER  
EXECUTIVE DIRECTOR

September 7, 2007

Shannon Thomas, Staff Auditor  
Legislative Services  
PO Box 83720  
Boise, ID 83720-0054

Dear Mr. Thomas:

Thank you for the time you spent reviewing the Internal Controls of the Idaho State Board of Accountancy. We appreciate your positive feedback on the strength of our internal controls. Likewise, we are pleased there are no findings or recommendations.

Again, thank you for your efforts. We look forward to another visit in a few years.

Sincerely,

A handwritten signature in cursive script that reads "Barbara R. Porter".

Barbara R. Porter  
Executive Director

# APPENDIX

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## HISTORY

Authority for the establishment and operation of the State Board of Accountancy is contained in the Idaho Code, Title 54, Chapter 2, Sections 54-201 through 54-228.

## PURPOSE

The State Board of Accountancy regulates the practice of certified public accountants and licensed public accountants, oversees administration of the Uniform Certified Public Accountant Examination given prior to the issuance of licenses, issues State licenses and renewals, and prescribes and establishes rules and regulations for all certified public accountants and licensed public accountants in the State of Idaho.

The Board licenses more than 2,600 certified public accountants and approximately 30 licensed public accountants. The Board established the Continuing Professional Education Committee and the Peer Review Oversight Committee to monitor the respective programs and interface with licensees and the Board. An investigative committee manages investigation of complaints against certified and licensed public accountants. The Board's objectives are to upgrade professional and educational standards required to practice as a certified or licensed public accountant in the State of Idaho, and to establish rules and regulations that will enable the citizens of Idaho to have complete confidence in persons who are licensed as certified public accountants or licensed public accountants in the State.

## FUNDING

The Board is funded by receipts from license and examination fees deposited with the State Treasurer in the State Board of Accountancy Fund, a dedicated fund. Funds are appropriated by the legislature from this dedicated fund for the Board's operations.

## ORGANIZATION

The Board comprises five certified public accountants, one licensed public accountant, and one public member. Board members are appointed by the Governor to five-year terms.

The office of the State Board of Accountancy is operated by an executive director, two administrative assistants, and a technical records specialist.



# IDAHO STATE BOARD OF ACCOUNTANCY

FY 2007 ORGANIZATIONAL CHART

